

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

**POLICY SUBCOMMITTEE
OF THE INVESTMENT COMMITTEE**

October 12, 2007

9:30 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Priya Mathur, Chair
Marjorie Berte, Vice Chair
Robert F. Carlson
Tony Oliveira
Charles Valdes

AGENDA

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| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the August 10, 2007 Meeting Minutes |
| | 3. Total Fund |
| Action / D. Wallace | a. Glossary of Terms – Definition of Emerging Markets and Related Terms |
| | 4. Global Equity |
| Action / M. Cottrill | a. Revision of Policy on Manager Development Program I and II (MDP) Manager Transition |
| Action / M. Cottrill | b. Adoption of Policy on Emerging Equity Markets Principles and Repeal of Policy on Permissible Equity for Emerging Equity Markets |
| | 5. Supplemental Income Plans |
| Action / G. Jimenez | a. Adoption of Policy on Supplemental Income Plans |

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| | 6. Policy Review and Consolidation Project – Revision of Investment and Risk Management Policies |
| Action / R. Roth and E. Baggesen | a. Derivatives – Investment Office |
| Action / M. Cottrill | b. Derivatives – External Money Managers |
| Action / E. Baggesen | c. Development Investment Fund |
| Action / R. Roth | d. Risk Management |
| Action/ C. Ishii | e. Securities Lending |
| Action/ C. Ishii | f. Credit Enhancement Program |
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Action / M. Flynn |
7. Policy Review and Consolidation Project – Revision of Operations Policies |
| | a. Custody Management |
| | b. Directed Brokerage Arrangement |
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Information |
8. Draft Agenda for December 14, 2007 |
| | 9. Public Comment |

Note: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this Subcommittee meeting may be brought to the Investment Committee at its next regularly scheduled meeting. Items are noticed for action after a first reading. The Committee is free, however, to request a second reading of any item before approving it.